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8
9 **UNITED STATES DISTRICT COURT**
10 **NORTHERN DISTRICT OF CALIFORNIA**

11 MICRON TECHNOLOGY, INC.,

12 Plaintiff,

13 v.

14 UNITED MICROELECTRONICS
CORPORATION, FUJIAN JINHUA
15 INTEGRATED CIRCUIT CO., LTD.,
and DOES 1-10,

16 Defendants.
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Case No. 3:17-CV-06932-MMC

**DEFENDANT UNITED
MICROELECTRONICS CORPORATION'S
REPLY IN SUPPORT OF MOTION TO
DISMISS**

Judge: Hon. Maxine M. Chesney
Courtroom: 7 – 19th Floor
Hearing date: August 2, 2019
Hearing time: 9:00 AM

SAC Filed: May 24, 2019

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1 **I. INTRODUCTION**

2 Micron's Opposition ignores and runs away from the core flaws in its SAC, namely its
3 failure to properly identify its purported trade secrets, plead its request for relief on patent
4 ownership, or provide a basis for damages under RICO.

5 With respect to Micron's failure to identify its trade secrets, Micron continues to improperly
6 rely on vague allegations about generalized categories of DRAM technology. Like its previous
7 complaint, Micron's SAC does not differentiate what information is claimed as trade secret from
8 the wide swaths of DRAM technology that are publicly known or readily ascertainable by proper
9 means. This runs contrary to the teaching of Northern District of California case law, which makes
10 clear that trade secret allegations must differentiate what is trade secret from what is publicly
11 known. Micron's approach is particularly problematic considering that DRAM is an extremely
12 mature technology field, involving commodity products that have been commercially available for
13 years and are easily reverse-engineered, for which a vast amount of design and process information
14 has long been contained in publicly-available reverse-engineering reports, best known methods,
15 trade journals, textbooks, and published patents and patent applications. And, Micron continues to
16 improperly rely on its identification of *documents* and *files* — or, at most, *pages* therein — that
17 allegedly contain Micron trade secrets, rather than identifying actual *information* that Micron
18 believes is entitled to trade secret protection. Because Micron's SAC again fails to identify any such
19 information, UMC still lacks notice of what is actually claimed as trade secret.

20 Regarding Micron's request for the unprecedented remedy of taking ownership of dozens
21 of patents, the SAC does not come close to pleading a basis for such drastic relief. Micron's request
22 is also unsupported by any law in the Ninth Circuit or this district. The smattering of old and obscure
23 cases cited by Micron all concern a detailed factual record relating to a single patent, not the dozens
24 of patents that are the subject of Micron's requested relief.

25 Finally, as for Micron's RICO claims, the Opposition fails to address the SAC's lack of
26 support for its request for damages associated with Micron's forensic investigation, and none of
27 Micron's cited cases support litigation-based forensic investigation as a basis for relief in the
28

1 context of a trade secret matter. As a result, Micron’s SAC lacks any allegation of harm to support
 2 damages for its RICO claims.

3 **II. ARGUMENT**

4 **A. Micron’s SAC Fails to Provide UMC Fair Notice Differentiating the Alleged 5 Trade Secrets From Public Knowledge.**

6 **1. Micron’s Generalized Descriptions of Technology Are Too Vague to 7 Differentiate the Alleged Trade Secrets From Public Knowledge**

8 Micron has amended the complaint twice, but it has still failed to provide UMC with fair
 9 notice of what protectable material is the subject of Micron’s operative complaint. Rather, Micron
 10 has merely identified general structures and regions that have been present in virtually all DRAM
 11 devices manufactured over the last twenty-five years, and listed document and file names without
 12 specifying what — if any — of the information contained therein is entitled to trade secret
 13 protection. And Micron’s failure is not for lack of either time or opportunity to investigate —
 14 Micron filed its Second Amended Complaint after a year and a half of litigation that included
 15 extensive jurisdictional discovery and followed a joint investigation with Taiwanese authorities.

16 Under the operative case law, including one case cited by Micron, “the plaintiff must
 17 ‘describe the subject matter of the trade secret with sufficient particularity to separate it from
 18 matters of general knowledge in the trade or of special persons who are skilled in the trade, and to
 19 permit the defendant to ascertain at least the boundaries within which the secret lies.” *Alta Devices,*
 20 *Inc. v. LG Elecs., Inc.*, 343 F. Supp. 3d 868, 881 (N.D. Cal. 2018), quoting *Vendavo, Inc. v. Price*
 21 *f(x) AG*, No. 17-cv-06930-RS, 2018 WL 1456697, at *4 (N.D. Cal. Mar. 23, 2018) (citations
 22 omitted); *Space Data Corp. v. X*, Case No. 16-cv-03260-BLF, 2017 WL 5013363, at *2 (N.D. Cal.
 23 Feb. 16, 2017) (same); *MedioStream, Inc. v. Microsoft Corp.*, 869 F. Supp. 2d 1095, 1112–13 (N.D.
 24 Cal. 2012) (same); *Farhang v. Indian Inst. of Tech., Kharagpur*, No. C-08-2658, 2010 WL
 25 2228936, at *13 (N.D. Cal. 2010) (same). The plaintiff cannot merely “set out its purported trade
 26 secrets in broad, categorical terms, more descriptive of the types of information that generally may
 27 qualify as protectable trade secrets” without “any kind of listing of particular trade secrets [that
 28 Plaintiff] has a basis to believe actually were misappropriated here.” *Vendavo, Inc.*, 2018 WL
 1456697, at *4 (dismissing complaint for lack of specificity); *see also Space Data Corp.*, 2017 WL

5013363, at *2 (dismissing complaint where claim failed to specify the trade secrets or distinguish them from materials available in published patents and patent applications); *MedioStream, Inc. v. Microsoft Corp.*, 869 F. Supp. 2d 1095, 1112–13 (N.D. Cal. 2012) (dismissing trade secret claim against Apple due to insufficient particularity in the pleading); *Farhang v. Indian Inst. of Tech., Kharagpur*, No. C-08-02658 RMW, 2010 WL 2228936, at *14 (N.D. Cal. June 1, 2010) (dismissing claim relating to “business models and implementations” because “this vague description does not describe the subject matter of the trade secret with sufficient particularity to separate it from matters of general knowledge in the trade. . . .”) (internal citations omitted).

Micron’s Opposition utterly fails to address the SAC’s inability to identify any **information** that Micron believes to be entitled to trade secret protection. First, Micron’s repeated references to unspecified parameters for the “Cell,” “Array,” and “Periphery” are disingenuous, since those three terms merely refer to three regions that, in total, make up every DRAM integrated circuit. Micron’s reliance on these unspecified parameters is akin to arguing misappropriation of parameters for the “engine,” “transmission,” and “suspension” of an automobile. Similarly, the categories of “trade secret process[es]” listed on pages 5-6 of the Opposition as allegedly being disclosed in UMC/Jinhua patents and patent applications include structures included in virtually every DRAM product sold, such as “shallow trench isolation,” “storage nodes,” “connections to storage nodes,” “storage node contact plugs,” “active regions,” “bitlines,” “array and peripheral structures,” “storage node cell contacts,” and “capacitor structure[s].” Since this list comprises most of the key components contained in all DRAM devices, merely enumerating them in the SAC, without more, is meaningless for the purpose of identifying what within each process is a protectable trade secret. ECF No. 172-36 at pp. 15-17, 30-32, 37-40, 41-43, 45-47, 49-51.

Micron’s vague identification of generic DRAM regions and structures is insufficient to put the defendant on proper notice of what the alleged trade secrets are. “Plaintiffs cannot claim that a method or process is a trade secret without identifying the steps in the process and explaining how those steps make their method or process unique.” *Tucson Embedded Sys. Inc. v. Turbine Powered Tech. LLC*, No. CV-14-01868-TUC-BGM, 2016 WL 1408347, at *8 (D. Ariz. Apr. 11, 2016); see also *Switch Commc’n Group v. Ballard*, Case No. 2:11-cv-00285-KJD-GWF, 2012 WL 2342929,

at *5 (D. Nev. June 19, 2012) (“In order to meet its burden of describing its alleged trade secrets with reasonable particularity . . . Switch must specifically describe what particular combination of components renders each of its designs novel or unique, how the components are combined, and how they operate in unique combination”). “It is simply not sufficient for plaintiffs to identify a trade secret as a ‘method’ without some explanation of why that ‘method’ could be considered a legally protectable trade secret.” *BioD, LLC v. Amnio Tech., LLC*, No. 2:13-CV-1670-HRH, 2014 WL 3864658, at *6 (D. Ariz. Aug. 6, 2014). The Plaintiff must identify specific information relating to its DRAM technology that it believes derived independent economic value from not being generally known and therefore is entitled to trade secret protection, rather than merely assert protection for unidentified “processes” for forming DRAM regions and structures contained in every DRAM device. Micron has not done so here.

2. Micron’s Document References Also Fail to Differentiate the Alleged Trade Secrets From Public Knowledge

Micron’s SAC is also fundamentally flawed in that it continues to merely identify documents and files (or, at most, pages within those documents and files), rather than specify which information within those documents and files that it believes is entitled to trade secret protection. In essence, Micron’s SAC improperly assumes that all Micron documents and files must contain trade secrets. An allegedly misappropriated document or even a page number, however, is not a trade secret; only specific information within a document or a page are trade secret. *AutoMed Techs., Inc. v. Eller*, 160 F. Supp. 2d 915, 926 (N.D. Ill. 2001) (“Plaintiff must articulate what specific information they believe defendants have misappropriated....”). For that reason, courts have found in other contexts that general references to files are insufficient to provide notice of what is claimed as trade secret. *Id.* (rejecting, as insufficiently vague, references to source code, designs, and research code names); *Hill v. Best Med. Int’l, Inc.*, No. CIV.A 09-1194, 2010 WL 2546023, at *4 (W.D. Pa. June 24, 2010) (“General allegations of drawings, patterns, software programs, methods, techniques, processes, source code, libraries, data files and ‘tens of thousands of files’” insufficient to identify trade secret with reasonable particularity). Micron’s recitation of

1 document titles and particular page numbers does nothing to tell UMC what in the document or
2 what on each page number is claimed as trade secret.

3 Where a complaint fails to differentiate the non-protectable information, such as what one
4 could find in industry patents, from the alleged trade secrets, dismissal is appropriate. *Vendavo,*
5 *Inc.*, 2018 WL 1456697, at *4 (dismissing complaint for lack of specificity, including failure to
6 distinguish protectable and unprotectable elements); *Space Data Corp.*, 2017 WL 5013363, at *2
7 (dismissing complaint where claim failed to specify the trade secret or distinguish them from
8 materials available in published patents and patent applications).

9 Here, Micron's document title and page citations fail to identify what technology discussed
10 on those pages it believes is entitled to trade secret protection, as opposed to being publicly known
11 or readily ascertainable from publicly-available information. This failure is particularly glaring
12 given that Micron was on notice of the issue from the declaration of UMC's expert John Berg
13 submitted in support of its motion to dismiss the First Amended Complaint, which explains in
14 exhaustive detail that Micron's internal documents are, like any other DRAM manufacturer, rife
15 with references to publicly-known information and information readily ascertainable from public
16 materials. ECF No. 172-36 at 11-21, 38-40, 44-45. The declaration shows in great detail how all of
17 the core aspects of Micron's DRAM technology are, in actuality, ascertainable through the reverse
18 engineering of DRAM chips that Micron itself put on the market years ago, and are also disclosed
19 in trade journals, issued patents, and published patent applications from competitors and industry
20 leaders, such as IBM, NEC, Samsung, and Hynix. ECF No. 172-36 at 11-21, 38-40, 44-45.
21 Following that motion, Micron was given leave to amend its complaint, but nonetheless failed to
22 fix the notice problem identified in the Berg declaration three months ago.

23 Micron's failure to identify its purported trade secrets is also entirely unjustified in view of
24 its contention that its purported "trade secrets" were disclosed by UMC and Jinhua in their patent
25 filings. This allegation amounts to an admission that Micron would suffer no harm by identifying
26 these purported trade secrets in its pleadings, as that information is now, according to Micron,
27 known to the public. The admittedly public status of Micron's trade secrets also makes this case
28 distinguishable from the district cases cited in Micron's Opposition, where the courts were

1 concerned that a more detailed disclosure in the complaint would have the potential to disclose
 2 otherwise secret information into the public record. *Alta Devices, Inc. v. LG Elecs., Inc.*, 343 F.
 3 Supp. 3d 868, 882 (N.D. Cal. 2018) (“plaintiffs cannot be expected to disclose publicly in the
 4 complaint the very secrets they are seeking to protect.”); *Keyssa, Inc. v. Essential Products Inc.*,
 5 No. 17-CV-05908-HSG, 2019 WL 176790, at *2 (N.D. Cal. Jan. 11, 2019) (“Requiring Plaintiff to
 6 go into more detail risks compelling public disclosure of the same trade secrets Plaintiff seeks
 7 protect.”); *T-Mobile USA, Inc. v. Huawei Device USA, Inc.*, 115 F. Supp. 3d 1184, 1192 (W.D.
 8 Wash. 2015) (“a plaintiff should not be compelled to divulge with specificity all of its possible trade
 9 secrets.”). There is no similar concern here.

10 Micron’s Opposition also misses the point with respect to UMC’s references to the maturity
 11 of DRAM technology. UMC is not arguing that the maturity of the technology governs whether the
 12 disclosure is sufficient; what matters is that much — if not all — of the technology at issue is in the
 13 public record or readily ascertainable by proper means such as reverse engineering, and therefore
 14 is not entitled to trade secret protection. In fact, it was Micron itself that gave this information to
 15 the public when it began selling DRAM products that incorporate its purported trade secrets,
 16 knowing the ease with which DRAM devices are reverse engineered. Micron’s allegations fail to
 17 identify any information in its documents and files that is not also found in the public record, or
 18 readily ascertainable from public information and therefore entitled to trade secret protection.

19 Micron has now had three attempts to identify its trade secrets in its complaint. Instead of
 20 doing so with reasonable particularity, Micron has continued to rely upon vague references to
 21 documents and files, or to regions and structures present in all DRAM devices. Micron’s
 22 identification of unspecified “trade secrets” in its complaint is therefore meaningless and fails to
 23 provide appropriate notice to satisfy the pleading requirement. *Vendavo, Inc.*, 2018 WL 1456697,
 24 at *4; *see also Space Data Corp.*, 2017 WL 5013363, at *2. Dismissal here is appropriate.

25 **B. Micron’s Requested Patent Relief Is Improperly Pled**

26 The vast and broad scope of Micron’s requested patent ownership relief overreaches in
 27 seeking a remedy untethered to the case law.

1 Micron does not dispute that it has made no attempt to allege facts to support a cause of
 2 action for correction of inventorship under 35 U.S.C. § 256. “Once a patent has issued, if a person
 3 who was not an inventor was improperly joined (“misjoinder”) or if an actual inventor was never
 4 joined (“nonjoinder”), the [Patent] Commissioner or a district court may correct the error pursuant
 5 to 35 U.S.C. § 256.” *Heat Techs., Inc. v. Papierfabrik Aug. Koehler SE*, No. 1:18-CV-1229-LMM,
 6 2019 WL 1915620, at *2 (N.D. Ga. Jan. 3, 2019), amended, No. 1:18-CV-01229-LMM, 2019 WL
 7 1923663 (N.D. Ga. Apr. 18, 2019), citing *Stark v. Advanced Magnetics, Inc.*, 119 F.3d 1551, 1552-
 8 53 (Fed. Cir. 1997). Micron’s Opposition offers no explanation for why it is not seeking correction
 9 of inventorship under § 256, or why it is not seeking any relief before the U.S. Patent and Trademark
 10 Office. The omission is telling because it suggests that Micron lacks the basis to seek such relief.
 11 By not even attempting to address UMC’s cited cases, Micron effectively concedes that it cannot
 12 make out a claim under 35 U.S.C. § 256. *See Brixham Sols. Ltd. v. Juniper Networks, Inc.*, No. 13-
 13 CV-00616-JCS, 2014 WL 250204, at *7 (N.D. Cal. Jan. 22, 2014) (citing *Ethicon, Inc. v. U.S.*
 14 *Surgical Corp.*, 135 F.3d 1456, 1460 (Fed.Cir.1998) and *Shatterproof Glass Corp. v. Libbey-Owens*
 15 *Ford Co.*, 758 F.2d 613, 624 (Fed. Cir.1985).

16 Instead of relying upon the vast body of law governing proper correction of inventorship,
 17 Micron shoehorns its requested relief into the holding of a few obscure cases from other circuits.
 18 Micron does not cite any Ninth Circuit, Northern District, California, or Idaho authority to support
 19 its requested relief. Instead, Micron relies on a 90-year-old Supreme Court case involving an
 20 attempt to enjoin in federal court the ruling of a New York state court with respect to ownership of
 21 a single patent. *Becher v. Contoure Labs.*, 279 U.S. 388 (1929). Even there, Micron
 22 mischaracterizes the procedural history. The case did not actually decide the equitable remedy at
 23 issue in the New York state court proceeding; it merely allowed dismissal of a parallel federal action
 24 that sought to enjoin the state court remedy. *Id.* at 392.

25 The out-of-circuit equitable remedies cases cited by Micron concern narrow, carefully-
 26 supported allegations regarding a single patent on a carefully-defined set of technology. In each of
 27 those cases, assignment was discussed as a remedy to be available only after a full trial involving
 28 careful exploration of whether the patent encompassed the plaintiffs’ trade secrets. *Richardson v.*

1 *Suzuki Motor Co.*, 868 F.2d 1226, 1249 (Fed. Cir. 1989) (concerning a single patent after a full jury
 2 trial); *Hayhurst v. Rosen*, No. CV-91-4496, 1992 WL 123178, at *4 (E.D.N.Y. May 18, 1992) (in
 3 opinion denying summary judgment, dicta stating that assignment may be available after trial as an
 4 equitable remedy if inventorship was proven as to a single patent); *Becher v. Contoure Labs.*, 279
 5 U.S. 388, 391 (1929).

6 In contrast to those cases, Micron is seeking assignment of an entire portfolio of DRAM
 7 patents based on a four-paragraph allegation in the complaint. SAC, ¶¶ 92-95. Micron's SAC
 8 identifies a few patent numbers, but without page, line, or claims citations. *Id.* In so doing, Micron
 9 makes no attempt to provide sufficient detail to show that it is entitled to relief on all of those
 10 patents. As to those patents, no details are provided on how each named inventor allegedly used
 11 Micron information to apply for the patent. In fact, the vast majority of the named listed inventors
 12 on each of those patents are not even named in the complaint.

13 Worse yet, Micron provides no allegations forming the basis for its claims that it is entitled
 14 to equitable relief on the numerous patent application and patents for which it does not even bother
 15 to list the patent number or patent application number. Having not even identified the patents, let
 16 alone specific claims, Micron cannot seek ownership of an unspecified set of patents without
 17 particularizing which patents, claims, and inventors are the subject of the requested remedy.

18 **C. Micron's Unsupported Request for Out-of-Pocket Forensic Investigation**
 19 **Costs Fails to Provide a Basis for RICO Damages**

20 In a creative attempt to stretch the case law beyond all bounds, Micron seeks damages for
 21 the costs of forensic investigation and revamping of its security procedures. In any trade secret case,
 22 a forensic investigation is necessary to determine what has supposedly been taken, and what has
 23 not. Yet despite the pervasive nature of forensic investigation in trade secret cases, Micron is unable
 24 to point to any trade secret case where such out-of-pocket investigational costs were a basis for
 25 damages under RICO, DTSA, or any other statute.

26 Moreover, Micron's cited RICO cases are off point; they involved after-the-fact revamping
 27 of security procedures in instances of fraud and secret surveillance. *See Giorgi Glob. Holdings, Inc.*
 28 *v. Smulski*, No. CV 17-4416, 2019 WL 1294849, at *4 (E.D. Pa. Mar. 21, 2019) (fraudulent

1 financial scheme); *Planned Parenthood Fed'n of Am., Inc. v. Ctr. for Med. Progress*, 214 F. Supp.
 2 3d 808, 820-21 (N.D. Cal. 2016) (scheme to secretly record political meetings). Here, there is no
 3 allegation of fraud or secret surveillance, and certainly no pleading of such facts pursuant to Rule
 4 9(b); instead Micron contends that Rule 9(b) does not apply to this case.

5 Like in UMC's cited cases, Micron's reasons for hiring investigators firmly fall within the
 6 realm of the expenses involved in pursuing the RICO suit, which are not a category of recoverable
 7 damages. *Izenberg v. ETS Servs., LLC*, 589 F. Supp. 2d 1193, 1204 (C.D. Cal. 2008). Micron used
 8 its existing internal investigation team to investigate its potential claims relating to Kenny Wang's
 9 conduct, and then relied upon that investigation for purposes of arguing that this Court has
 10 jurisdiction. ECF No. 43-1 (March 1, 2018 Heller Declaration in support of Micron Opposition to
 11 Motion to Stay) at ¶¶ 2-4. Micron does not allege that any out-of-pocket expenses resulted from its
 12 internal investigator's time, and none would be expected given that the investigator was acting in
 13 accordance with his pre-existing job duties. *Id.* Later, while this suit was pending and jurisdiction
 14 issues were being briefed, Micron's litigation counsel Jones Day, not Micron, hired an outside
 15 forensic investigation firm, Berkeley Research Group, for the purposes of supporting its jurisdiction
 16 arguments in this lawsuit. ECF No. 75-95 (Bandemer Declaration) at 2; ECF No. 82-13 (Bandemer
 17 Depo. Tr.) at 6:9-23, 7:23-25, 47:16-25. Those litigation vendor expenses clearly related to the
 18 arguments to be made in the litigation, not enhancements to Micron's security. As the case law
 19 notes, allowing a plaintiff to rely on litigation expenses would read the damages requirement out of
 20 the statute because any RICO plaintiff could qualify without alleging any other form of damages.
 21 *Id.*; *Walter v. Palisades Collection, LLC*, 480 F. Supp. 2d 797, 805 (E.D. Pa. 2007) ("any actions
 22 taken by Mr. Walter or his counsel to initiate or litigate the case ...cannot form the basis for RICO
 23 liability. It would be illogical to allow a plaintiff to have RICO standing based on damages incurred
 24 by the plaintiff in paying his attorney to file the RICO action. RICO's injury requirement would be
 25 a nullity if paying an attorney to initiate the RICO action itself sufficed as a damage.").

26 In the absence of any case support for litigation-related forensic investigation as a basis for
 27 damages, Micron's claim for damages for its RICO claims lacks any basis, and the claims should
 28 therefore be dismissed.

1 **III. CONCLUSION**

2 For the foregoing reasons, Micron's SAC should be dismissed.

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4
5 DATED: June 28, 2019

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